# Accion USA
# Micro Loan Program for Small Businesses:
# *Partner Training*

**ACCION USA**
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# Agenda

1. Background
   - Mission, History, and Impact
2. Partnership Goals
3. Loan Process
4. Loan Products
5. Decision Factors
6. Questions/FAQ's

# What is ACCION USA?

## Mission:

ACCION USA is a nonprofit, community based organization whose mission is to improve the lives of low and moderate-income individuals in the United States by providing credit and other financial services.

By providing these small loans to men and women who have been shut out of the traditional banking sector, ACCION USA helps these individuals strengthen their business, increase their profits, and contribute to the economic growth of their communities.

# A Brief History

**ACCION in the U.S.**

- The US ACCION Network is currently the largest microlender network in the United States.
- Operates in 9 states with direct lending offices and now has national reach online at www.accionusa.org.
- More than 20,000 clients served, averaging $6000.
- Over $210 million lent network-wide to date.

# Outline of Partnership

1. Mutual referrals to entrepreneurs.
2. Launching and marketing of new financial services and TA offered.
3. Provide information regarding loan program to the client.
4. Provide client with online application information, www.accionusa.org or paper app., and help submitting information to AUSA.
5. AUSA will conduct appropriate follow up with client including an interview or decline.
6. AUSA has remote disbursement capabilities.

# AUSA Loan Application Process

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**Prequal**

Client receives loan Information

Client Applies Online or fills out paper application. AUSA acknowledges receipt w/in 24 hours

AUSA contacts client regarding application to offer loan amount range and Interest rate tier

Client submits documentation via Fax or email and gets Interviewed by Loan Officer

Application submitted for Underwriting

Underwriter **Approves** or **declines**

ACCION sends disbursement Documents via secure e-mail to client

Once **all** documents are submitted process takes an average of 2 weeks...

# Referral Process

To apply, client can:

- apply online at www.accionusa.org
- receive an application from you
- download the paper application from our website
- call ACCION directly and apply over the phone

# Applying Online

ACCION USA

START | ABOUT OUR LOANS | ORIENTATION | FAQS | CONTACT US

Start > Get a Loan > Personal Information

## get a loan

7 Step Process

1. Register
2. Personal Information
3. Business Information
4. Loan Request
5. Financial Information
6. Collateral / Security
7. Submit

Please provide your Personal Information below. Please note that any information you provide regarding your ethnicity below is solely for internal use and will not impact evaluation of your loan application.

Information with asterisk (*) is **required**. Click on "Save & Continue" or "Finish Later" below to save your entries.

### 2 Personal Information

| | | | |
|---|---|---|---|
| Social Security Number (If you do not have a SSN, please call us at 1-866-245-0783) | * | Date of Birth MM/DD/YYYY (ex. 01/01/1980) | * |
| Home Street Address | * | Housing Status | Select * |
| Apartment Number | | Home Landlord Name (only if "Rent") | |
| City | * | Home Landlord Phone # | |
| State | Select * | How did you hear about us? | Other Organization * |
| Home Phone # | * | | Other Org * |
| | | Referral Name or Other Details | Veterans Corporation |
| **Optional:** | | | |
| Ethnic Group | Select | Country Of Birth | OTHER |

< Previous Screen | Save & Continue > | Finish Later

Done | Internet

# Referral Process (cont'd)

- ACCION Contacts:
  - For all New England referrals please contact
    - **Sherri Lane** (617) 616-1505 slane@accion.org

      or
    - **Melissa Roberts** (617) 616-1549 mroberts@accion.org

# Basic Eligibility Guidelines

- For business purposes only
- Established, home-based, and start-ups
- Capacity to repay the loan
- Strong character and commitment to business

# Loan products:

## $500 to $50,000 Business Installment Loans

- **Interest rate 8 - 15%**
- **Terms up to 60 months:** based on loan amount and purpose.
- **ACH Monthly** Payments
- **3-5% closing fee**
- **No application fee**
- **No prepayment penalties**

# Loan Amounts

- **Start-up businesses (less than 6 months old but operational):**
  - Loans from $500 to $30,000
- **Established businesses (>6 months and profitable):**
  - Loans up to $50,000

# Basic Required Documents

- Personal Identification
- Most recent utility bill from home and business
- Recent business and personal bank statements
- Terms of Mortgage
- Business plan with financial projections (if start up business)
- Tax returns generally required for loans above $10,000

# Decision Factors

- Cash Flow: Cash Flow and/or Projections
- Credit History
- Strength of Collateral and/or Cosigner to guarantee the loan
- Loan Purpose
- Character and References

# Decision Factors

**Cash Flow**

- An examination of sales versus expenses must demonstrate capacity to repay loan. Business and personal bank statement review.
- Start-ups must present 12 months of financial projections.

**Credit History**

- Automatic disqualifiers:
  - Current lateness on mortgage, auto, rent or child support payments.
  - More than 3 late mortgage payments in the last 2 years.
  - Negative Amortization mortgages and ARMs that adjust within the proposed term of the loan.
- Minimum credit score 575

# Decision Factors

**Co-borrower/Cosigner**

- Must be at least 21.
- Strong credit.
- Verifiable source of income separate from business and capacity to meet monthly loan payments.
- Employed for at least 6 months.

**Collateral**

- Strong business collateral such as titled vehicles may be accepted to strengthen an application.

# Decision Factors

**Loan Purpose**

- Contributes to the positive growth of business.
- Specific documentation may be necessary for loan purposes such as equipment purchases or business debt consolidation.

**Character**

- References: residential and commercial landlords, supplier, client and/or personal references.

# Q & A

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Questions?